MAIL & GUARDIAN ADMITS TO CARTEL CONDUCT, PAYS FINE

The Commission has referred to the Competition Tribunal (Tribunal) for confirmation as an order a consent settlement agreement it has reached with the Mail & Guardian (Pty) Ltd (M&G).

In terms of the agreement, M&G has undertaken to pay an administrative penalty of R286 846.39 (two hundred and eighty-six thousand, eight hundred and forty-six rand and thirty-nine cents).

M&G, together with other media companies who are members of the Media Credit Co-Ordinators (MCC), was charged with price fixing and the fixing of trading conditions in contravention of the Competition Act.

The case relates to a November 2011 investigation which found that, through MCC, various media companies agreed to offer similar discounts and payment terms to advertising agencies that place advertisements with MCC members.

M&G entered into a settlement agreement with the Commission after 28 media companies and their subsidiaries were referred to the Tribunal for prosecution.

In terms of M&Gs settlement agreement, the company agreed to the following remedies:

- It will contribute R103 264.60 (one hundred and three thousand, two hundred sixty-four rand and sixty cents) to the Economic Development Fund (EDF) over a three-year period. EDF is managed and administered by the Media Development and Diversity Agency (MDDA).
- M&G will also provide 25% bonus advertising space for every rand of advertising space bought by qualifying small agencies, over three years and capped at R700 000 (seven hundred thousand) annually;
- Will give full cooperation with the Commission in the collusion case until all litigation is finalised; and
- Will develop, implement and monitor a competition law compliance programme as part of their respective corporate governance policies.

Penalties to date

To date, the Tribunal has confirmed, as orders, settlement agreements between the Commission and the following media companies:
## Settlements to date

<table>
<thead>
<tr>
<th>MEDIA COMPANY</th>
<th>FINES</th>
<th>EDF Contributions</th>
<th>Advertising discount Totalling</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 DSTv Media Sales (Pty) Ltd</td>
<td>R22 262 599.00</td>
<td>R8 000 000.00</td>
<td>R50 000 000 p.a (R150 million over three years)</td>
</tr>
<tr>
<td>2 Independent Media (Pty) Ltd</td>
<td>R2 220 603.00</td>
<td>R799 417.00</td>
<td>R 266 472.33 p.a (R7 99 416.99 over three years)</td>
</tr>
<tr>
<td>3 United Stations (Pty) Ltd</td>
<td>R423 920.73</td>
<td>R152 611.46</td>
<td>R1 500 000.00 p.a (R4 500 000.00 over three years)</td>
</tr>
<tr>
<td>4 Caxton &amp; CTP Publishers and Printers Ltd</td>
<td>R5 806 890.14</td>
<td>R2 090 480.45</td>
<td>R 696 826.82 p.a (R2090 480.46 over three years)</td>
</tr>
<tr>
<td>5 Provantage Media</td>
<td>R1 094 222.00</td>
<td>R393 920.12</td>
<td>R 131 306.70 p.a (R393 920.10 over three years)</td>
</tr>
<tr>
<td>6 Media24</td>
<td>R13 828 892.26</td>
<td>R4 978 401.21</td>
<td>R 3 761 272.52 p.a (R11 283 817.6 over three years)</td>
</tr>
<tr>
<td>7 MTV Networks Africa (MTV)</td>
<td>R966 692.83</td>
<td>R348 009.42</td>
<td>R348 009.42 p.a (16 million over three years)</td>
</tr>
<tr>
<td>8 Mediamark (Pty) Ltd</td>
<td>R1 013 803.94</td>
<td>R364 969.42</td>
<td>R2 500 000.00 p.a (R7 500 000.00 over three years)</td>
</tr>
<tr>
<td>9 Trudon</td>
<td>R1 324 496</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>10 Carpe Diem</td>
<td>R 4 808.95</td>
<td>R 1731.22</td>
<td>R 577.07</td>
</tr>
<tr>
<td>11 Primedia</td>
<td>R9 605 884.64</td>
<td>R3 458 118.47</td>
<td>R1 152 706.16</td>
</tr>
<tr>
<td>12 Sterkinekor</td>
<td>R436 999.90</td>
<td>R157 319.96</td>
<td>R52 439.99</td>
</tr>
<tr>
<td>13 SABC</td>
<td>R31 845 795.53</td>
<td>R17 797 645.97</td>
<td>R2 966 274.33 (every 6 months for 3 years)</td>
</tr>
</tbody>
</table>

## Background

The case relates to a November 2011 investigation which found that, through the MCC, various media companies agreed to offer similar discounts and payment terms to advertising agencies that place advertisements with MCC members.

The Commission found that the practices restricted competition among the competing companies, as they did not independently determine the discounts and thereby fixed the price and trading terms in contravention of the Competition Act.

## Media companies listed in the matter

- SABC (SOC) Limited; settled
- Media 24 Ltd; Media 24 Magazines; settled
- Independent Newspapers (Pty) Ltd; settled
- The Mail & Guardian (Pty) Ltd;
• Avusa Media Limited;
• DSTV Media Sales (Pty) Ltd; settled
• MTV Networks Africa (Pty) Ltd; settled
• Primedia (Pty) Ltd; settled
• Primedia Outdoor (Pty) Ltd; settled
• Cinemar (Pty) Ltd;
• Comutanet (Pty) Ltd;
• Conde Nast Independent Magazine;
• Caxton and CTP Publishers and Printers Ltd and the Citizen 1978 (Pty) Ltd; settled
• Spark Media (Pty) Ltd;
• Apurimac Media;
• Provantage Media (Pty) Ltd; settled
• Mediamark (Pty) Ltd; settled
• Carpe Diem Media; settled
• Rodale And Touchline;
• Mandla-Matla Publishing (Pty) Ltd;
• Ramsay Media;
• Lugan Investments (Pty) Ltd;
• Associated Media (Pty) Ltd;
• Associated Hearst (Pty) Ltd;
• Capro (Pty) Ltd;
• Trudon (Pty) Ltd; settled
• United Stations (Pty) Ltd; settled
• Continental Outdoor (Pty) Ltd;
• Ster-Kinekor Theatres Pty Ltd; settled
• Apurimac Media CC; and
• Media Credit Co-Ordinators (MCC).

[ENDS]

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